

**Good new, bad news month for the Clintons** - The good news was that 37 year-old Chelsea (*who some Democrats seem bound & determined to groom as a possible successor to her parents*) was on the cover of the April No. 3 “Power of Women NY” issue of the magazine Variety and, along with five other women, received its “Lifetime Impact” award for her “humanitarian work” (as Vice-Chair of the Clinton Foundation that supposedly picked up the tab for her US\$3MM wedding in 2010?). And the less good news was that, after announcing its imminent demise & giving notice to 22 employees last January, the Clinton Foundation’s Global Initiative major cash flow generator formally closed its doors on April 15<sup>th</sup>; for after Hillary’s defeat in November the flow of *foreign* donations has been drying up.

**Impact of ECB QE operations** - On April 21<sup>st</sup> Fitch cut Italy’s credit rating from BBB+ to BBB (its lowest investment grade), citing its “persistent track record of fiscal slippage”, its weak economic growth & the fact that in 2016 its Debt-to-GDP ratio had increased by 0.6% to 132.6%<sup>1</sup>. Nevertheless, as shown in the table below, four days later, according to the WSJ, the yields on Italian government short-to-medium-term bonds were much lower than that those of similar maturity-, by Fitch still AAA-rated-, US government bonds :

		2 year	5 year	10 year
		-----% yield to maturity-----		
Italy	BBB	-0.050	1.055	2.264
US	AAA	1.287	1.853	2.328
France	AA	-0.406	-0.170	0.890
Germany	AAA	-0.679	-0.323	0.377
Spain	BBB+	-0.231	0.450	1.655
UK	AA	0.117	0.533	1,085

**North Korea’s second-tier leaders see Kim Jong-un as a weak leader?** - At least that’s what defected North Korean officials supposed told Bruce Bennett, Senior Defense Analyst at the Santa Monica, CA-based Rand Corp. think tank. And they had also told him that it would be unlikely a member of Kim’s family would succeed him if he were to die suddenly; for they have turned “entrepreneurial”, attracted by the idea of reshaping their country’s economy along the lines of China’s (as Beijing apparently has been urging Kim to) - *if true, this would make the North Korean situation even more potentially volatile since it would be hard to predict how Kim might react if he started feeling threatened domestically (a couple of years ago he had his long-time mentor uncle, who had gotten ‘too big for his britches’, executed by an anti-aircraft gun).*

**Trump’s tax plan, as announced by Treasury Secretary Steve Mnuchin on April 26<sup>th</sup>** - The official line on this one pager of bullet points is that it would remove 75MM low income individuals & households from having to pay tax, simplify the tax code by cutting the number of tax brackets from seven to four, terminate the Alternate Minimum Tax (*that going by the only tax return Trump has made public so far, that for the tax year 2005, had cost him money*), ensure no business, small or large, would pay more than 15% tax, remove the death tax (“you paid the tax when you earned it”), while not adding to the national debt. But critics, with the NYT in the van, were less positive<sup>2</sup>, calling it, among others, “a really, really huge giveaway to Donald

<sup>1</sup> The fourth highest in the world ,after Japan -, 250.40, Greece 179.90 & Lebanon 139.90) & ahead of Nos. 10 (Belgium - 104.70), 12 (US - 104.17), 13 (Spain - 99.40) & 14 (France- 96.00)

<sup>2</sup> One Op-Ed piece by the paper’s David Leonhardt says that, as pitched by the Treasury Secretary it will “overwhelmingly benefit the wealthy”, thus falling short of his own standard some time ago that had said that “Any restructuring ... in the upper-income taxes will be offset by less deductions so that there will be no absolute cut for the upper class.”

Trump, the Trump organization and the entire Trump family” & “President Trump’s laughable plan to cut his own taxes”, focused on the fact that the ending of the deductability of income taxes paid to state & local governments will hit voters in some ‘blue’ (i.e. Democrat) states, incl. California & New York, particularly hard, the considered opinion of the non-partisan, Washington, D.C.-based Tax Policy Centre think tank, a joint venture of the Urban Institute & the Brookings Institution, is that it will add US\$6.2TR (i.e. about one-third) over ten years to the national debt, and, while appearing on Good Morning America Secretary Mnuchin waffled when asked directly by host George Stephanopoulos whether he could “guarantee” that a middle class family would pay less tax under the plan - *in the end, none of this may matter since the CW is that it is unlikely to pass through Congress in anywhere close to its present form (in the process giving Trump his next lesson in ‘the President proposes, but Congress disposes.’*”

## **GLEANINGS II - 707** **Thursday April 27<sup>th</sup>, 2017**

### **HOW TRUMP SUCCEEDS WITHOUT SUCCEEDING (Politico, Michael Kruse)**

- Earlier this month, 11 weeks after his inauguration & in the wake of bungled attempts to institute a Muslim travel ban & “repeal and replace” the ACA (Obama’s Affordable Care Act), and amidst lousy approval ratings, more validation of the reports of Russian attempts to influence last fall’s election, staff strife in the White House & growing inner circle alarm his first 100 days in office will be seen as a failure, President Trump came into media room in Air Force One’s rear to ensure those present got their story straight by telling them “I think ... we have had one of the most successful 12 weeks in the history of the Presidency”. A few days later, in a Fox Business interview, he told his host “I don’t think there is a presidential period of time in the first 100 days where anyone’s done nearly what we’ve been able to do.” And then, to top it all off, on April 18<sup>th</sup> he told a Wisconsin audience “No administration has accomplished more in the first 90 days.”
- While his critics are dumbfounded by these self-assessments, those who know him well just shake their heads & say, as former Trump casino executive Jack O’ Donnell puts it, “Well, that’s Trump”. For he flopped as the owner as a professional football team, blew up his first marriage only then to marry his mistress & divorce her too, bankrupted his casinos 5x in < 20 years, owned an airline that lasted less than three years (*it never turned a profit & within two years defaulted on the US\$380MM he had borrowed to set it up*) & slapped his name on a seemingly endless sequence of dud products (incl. Trump Ice Bottled Water-, Vodka-, Steaks-, Magazine-, Mortgage-, & University), dealing with each *costly* failure by refusing to acknowledge them as anything but wins. This is more than just the ‘power of positive thinking’; it’s a function of his obscuring reality by talking the loudest & longest, and insisting on having both the first-, & the last-, words. This has let him manage to ‘succeed’ without actually succeeding all his adult life.

*But he is now playing in a league where the rules are different & beyond his control, the media no longer fawns on him & the other players too have big egos that are, constrained, however, by having to face periodic ‘reality checks’ (the next one of which is scheduled for November next year - all this shores up my belief an impeachment attempt will ensue by mid-2018 when many Republicans will be seized by a ‘sauve qui peut’/‘every man for himself’ mindset.*

### **TRUMP REASSURES ‘DREAMERS’ (AP, Julie Pace)**

- In an April 21<sup>st</sup> Oval Office interview he said his administration “is not after the dreamers, we are after the criminals” & that the dreamers (*i.e. immigrants brought to the US as*

*children & now there illegally*) will not be targets for deportation under his immigration policies, & thus can “rest easy”. As to constructing a wall along the US-Mexico border, and “I want the border wall. My base definitely wants the border wall”, he stopped short of demanding that funding for it be included in the spending bill that Congress must pass before month’s end to keep the government’s doors open. And, when asked if he would sign such legislation if it didn’t include funding for the wall, he answered “I just don’t know yet” (*he since appears to have realized he would have little choice but to do so*).

*A long way from his campaign claim that Mexico, & not US taxpayers, would pay for it.*

### **JUDGE BLOCKS TRUMP EFFORT TO WITHHOLD MONEY FROM SANCTUARY ‘CITIES’** **(NYT, Vivian Yee)**

- On April 21<sup>st</sup> the Justice Department sent a letter to eight cities, incl. New York & Philadelphia, threatening to cut off their funding unless they were able to ‘provide proof’ they weren’t looking the other way when it came to undocumented immigrants. Four days later, William H. Orrick of the US District Court (*for the Northern District of California*) temporarily blocked President Trump’s effort to starve localities of federal funding when they limit their cooperation with immigration enforcement; for he ruled that the President had overstepped his powers with his Executive Order on immigration by tying billions of dollars in federal funding to their cooperation in this matter (since only Congress could impose such conditions). And while this was only a temporary injunction (*that, however, applies nation-wide*), he strongly signaled that the plaintiffs, the City of San Francisco & Santa Clara County<sup>3</sup> could expect it to become permanent. While the White House issued a statement that evening that “once again, a single district judge - in this case in San Francisco - has ignored federal immigration law to set a new immigration policy for the entire country”, the San Francisco city attorney observed “That’s why we have courts - to halt the overreach of a president and an attorney-general who either don’t understand the Constitution or choose to ignore it.”

*One of Trump’s subsequent tweets called the judge’s ruling “ridiculous” & accused his opponents of “judge shopping” (ignoring that, when the shoe had been on the other foot, Obama’s opponents had acted in a like manner). According to Pew Research, there are now 11.4MM illegals in the country (5.8MM of Mexican-, and 5.3MM of non-Mexican-, extraction), almost one million fewer than a decade ago<sup>4</sup>. Furthermore, that some 8+MM of them are gainfully employed (often, if not always, in jobs no self-respecting US citizen would do, especially at the wages paid), that six states (California, Texas, Florida, New York, New Jersey & Illinois) account for 59% of them & that California (that accounts for almost 25% of their total), they account for 6% of the population, that in 2014 66% of them had been in the US for ten years or more (up from 41% in 2004)<sup>5</sup> & that in recent years the number of sub-Saharan nationals among them had been increasing.*

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<sup>3</sup> That stand to lose US\$1BN & US\$1.7BN respectively (that in the case of the latter represents over one-third of its total revenues).

<sup>4</sup> Which undermines the validity of Trump’s “Wall” argument.

<sup>5</sup> Many of them likely “dreamers”.

**DONALD TRUMP ACCUSED OF ‘SHOCKING IGNORANCE’ AS HE REPEATS CHINESE CLAIM THAT KOREA WAS PART OF CHINA (The Telegraph, Julian Ryall)**

- During an April 12<sup>th</sup> interview with the WSJ on his Summit with President Xi Trump said, among others, that Xi had explained the situation on the Korean Peninsula & gone “into the history of China and Korea ... And you know, you’re talking about thousands of years ... and many wars. And Korea actually used to be part of China ... after listening for 10 minutes, I realized it’s not so easy.” But Ra Jong-jil, a former South Korean ambassador to London & Tokyo told this paper “I suspect that Mr. Xi said, in effect, that Korea was part of China because it was overwhelmingly under Chinese influence historically and Mr. Trump bought that ...It shows his shocking ignorance of the situation in north-east Asia ... It is true that the Korean peninsula was under the influence of China, but that was under the Ming dynasty ... a long time ago and has nothing to do with the People’s Republic of China ... In the distant past, Korea may have looked up to China as a model of political or economic development, but today we consider the communist-led nation to be economically, politically and socially backward ... Somebody needs to enlighten Mr. Trump about the facts of the region and he should not fall for this sort of silly nationalism from the Chinese”.

*There is a growing body of (opportunistic?) nationalist thought in China that ancient Korean kingdoms were part of the Chinese empire & that modern-day nation states should similarly fall within Beijing’s exclusive sphere of influence. But a cursory review of the historical relationship between the two countries suggests shows that, while Korea often had a subordinate, vassal-like relationship with China’s emperors, it never lost its independent status.*

**DONALD TRUMP BRAGS THAT HE GOT ‘HIGHER RATINGS THAN 9/11’ (The Independent, Rachel Revesz)**

- In an AP interview he railed against the “fake media”, former rival Hillary Clinton & his loss of the popular vote in the *November* election & pointed to his “very high ratings”, claiming they increased by two or three times when he appeared on Sunday morning shows. And he highlighted Chris Wallace’s Fox News show where he said “It had 9.2 million people ... the highest they’ve ever had ... It’s the highest for ‘Face the Nation, or as I call it ‘Deface the Nation’ ... Since the World Trade Center came down ... a tremendous advantage.”

*In all fairness to Trump, the headline likely was incorrect in using quotation marks.*

**MAHMOUD AHMEDINEJAD ‘BARRED FROM STANDING IN IRAN’S PRESIDENTIAL ELECTION (The Independent, Jon Sharman)**

- Earlier this month the former President (from 2005-2013) unexpectedly announced he planned to be a candidate in next month’s election. But on April 20<sup>th</sup> the state media reported the Guardian Council, the clerical body that vets candidates for all elections, had kyboshed that idea, reinforcing the CW the current “moderate” President Hassan Ruhani will be re-elected (whose candidacy Supreme Leader Ayatollah Ali Khameni had endorsed as far back as last September, stating at the time that candidates who would bring about a “polarizing situation” should not seek office since this would be “harmful to the country”).

*Rouhani is the 'best of a bad lot' only in comparison to some other leading lights in Iran's political/religious cabal (incl. Ahmedinejad who as President had displayed a visceral hatred of Israel & been a Holocaust denier (because he has long been rumoured to have some Jewish ancestors himself?). Be that as it may, he helped orchestrate acceptance at home of the nuclear deal with the US &, more importantly, managed to get the Supreme Leader to accept it; and having the latter's endorsement does suggest some degree of change from the situation a decade ago [although it remains to be seen what may happen if, as some expect, Khameni succumbs to (prostate?) cancer in the foreseeable future].*

### **GLOBAL TIMES WARNS NORTH KOREA AGAINST NUCLEAR TEST (RTHK)**

- In an April 25<sup>th</sup> an editorial in the Global Times warned Pyongyang that “the game of chicken between Washington & Pyongyang had come to a breaking point” and that if, expected, North Korea were to carry out a sixth nuclear test, it is likely that the situation would cross the “point of no return” and that, while all stakeholders would bear the consequences, Pyongyang would be “sure to suffer the greatest losses”. Furthermore, that, while China hoped for a “peaceful outcome”, it had only “limited influence over the entire situation”, and that the previous day’s phone conversation between presidents XI & Trump showed that “China and the US were in close communication over the tensions”. And that same day Seoul reported that the USS Michigan, a nuclear-powered submarine had docked in the southern port of Busan for what it called a “routine stop” to rest its crew & reload supplies

*No mention was made of the fact that the USS Michigan is armed with 156 Cruise missiles. The same day that it docked in Busan & that several thousand Korea & US soldiers had live fire exercises within a stone's throw of the border, North Korea celebrated the anniversary of its People's Army with the usual impressive military parades &, on this occasion, massive artillery live firing demonstrations attended by Kim Jong-un himself. And the next day Adm. Harry Harris, who heads the Hawaii-based US Pacific Command (that has about one-fifth of all US military personnel attached to it), told US lawmakers that the goal was to “bring Kim to his senses, not his knees” (which, if he really meant it, would seem like a rather naive assessment of the situation) - the Global Times is the mouthpiece of the Communist Party of China & RTHK the almost century-old public broadcasting system of Hongkong that, while publicly funded, still seems to have been able to retain some editorial freedom.*

### **'WE FEEL SAFER' (WP, Vincent Bevins)**

- Despite the international outcry against his mass extra-judicial killings, polls show that the 72 year-old Philippine President Rodrigo Duterte still has strong popular support. Thus 28 year-old Justin Quirino, a Manila radio disc jockey & events host with a business degree who speaks perfect English, abhors violence & believes more of the country's wealth & opportunities should benefit the poor, supports President Rodrigo Duterte, saying “He's far from perfect ... But I think he's what the country needs right now” &, as to the thousands killed in the “war on drugs” that the President launched after taking office last June 30<sup>th</sup>, “It really hits a nerve when I hear about those deaths. It's painful. But I think that violence of that kind is unfortunately inevitable when there is a struggle for power, especially when drug gangs are involved.” And according to Ramon Casiple, Executive Director of the Manila-based Institute for Political and Electoral Reform, “A lot of support for Duterte is just as much about rejecting what came before him as it is about the man and his policies ... His victory was won out of frustrations, not only with the last president, but with the last 30 years of politics”, while Duterte supporter

Nick (who is an occasional user himself & didn't want his last name used because his work brings him in contact with the police & drug dealers) opines "to be honest, I like what's happening right now ... We feel safer."

*Duterte is only one example of the kind of 'New Age' politician being thrown up worldwide by the decades-long poisoning of the political well by an increasingly self-serving political 'class' that has eroded the hoi polloi's faith in the 'system' & spawned a global trend away from liberal thinking in countries as diverse as China, Hungary, Russia & Turkey and, yes, even the Western democracies. But even among the 'tin pot dictators' Duterte is a particularly nasty specimen whose latest public statements include : "give me salt and pepper and I will eat the terrorists' livers" and "I can be 50 times more brutal than the Muslims terrorists who stage beheadings".*

## **POLAND SIGNS FIRST DEAL TO BUY NATURAL GAS FROM US SUPPLIER**

**(AP, Momika Scilowska)**

- Poland's PGNiG has bought a load of LNG from Houston-based Cheniere Energy Inc. for delivery in June. It will come from the Sabine Pass terminal on the Texas/Louisiana border & go to Poland's *brand new (it just opened last year)* terminal in the port of Swinoujscie<sup>6</sup>. PGNiG's head, Piotr Wozniak, called this a historic moment for his company since it will gain it a new partner in the LNG business & make the terminal a gateway for a new market for US LNG in Northern Europe, while Prime Minister Beata Szydlo said it will help reduce Poland's dependence on deliveries from Russia (*that can be-, & in the past have been-, used to exert political leverage*).

*And it will further undermine the viability of Russia's Nordstream" underwater Baltic Sea pipeline from Russia to Germany to bypass Ukraine that is already only being used to 50% of capacity.*

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**French presidential election run-off** - Unlike Germany & Israel where the Presidents are ceremonial figures, France's Constitution makes the President a key player on its national political stage (although, to be effective, he/she still needs an amenable Parliament). There were eleven names on the ballot (of whom four mattered & a fifth was interesting only because it illustrated the erosion of Socialist Party support since 2012). This time the pollsters were pretty well spot-on; for the 39 year-old centrist, technocrat, newcomer, having-come-out-of-nowhere longshot without a party of his own Emmanuel Macron got 23.8% (*marginally more than expected*), the far-right, anti-just about everything & everybody 48 year-old Marine LePen 21.7% (*slightly less than expected; so she obviously didn't get any fillip from last week's Champs Élysées terrorist incident & her Putin & Trump endorsements and her visit to Moscow on March 24<sup>th</sup> may actually have cost her votes<sup>7</sup>*), the 63 year-old former Prime Minister & Conservative candidate François Fillon (*the early favourite until his campaign got derailed by nepotism allegations*) 19.8% & the 65 year-old firebrand, far-left, crypto-Communist Jean-Luc Mélenchon 19.2% (*both of them in line with expectations*), and the 49 year-old Socialist Party's 'sacrificial lamb' Benoît Hamon 6.5% (*slightly less than the polls had forecast & a far cry from*

<sup>6</sup> Prior to WWII it was in Germany & known as Swinemünde, it is now in the very Northwest corner of Poland, right on the border with Germany (and hence quite strategically located).

<sup>7</sup> In fact, 34.8% voter support made Paris one of Macron's regions of strongest support.

President Hollande's 28.6% in the 2012 first round <sup>8</sup>). One observer called Macron a "Messenger of Hope" & LePen one of "Anger" (not "Despair" ?). While the last poll prior to the first round vote found Macron ought to beat LePen 65 - 35 in the run-off (just four days later, on April 26<sup>th</sup>, this had shifted to 61-39), it also showed her core support is more solid than his; for those who said they would vote for her in the first round were 85% sure they would also vote for her in the run-off vs. only 74% of his first round supporters (although that was a big improvement over the 49% six weeks earlier). His main support base appears to be among younger-, better-educated , & more 'citified' voters & hers among older, more blue-collar males outside the major cities (who, as was the case in the US, are more scared of-, & often more directly adversely affected by-, the change in the economy) and, with youth unemployment still in the 25% range, among the 18-24 age cohort. In the end voter turnout may be the decisive factor (in the first round it was in the 65+% range, one of the highest in four decades), with a high one benefitting Macron if driven by a widespread sense of 'stopping LePen at any cost'. Hard on the heels of the announcement of the election results LePen surprised many by announcing she was (temporarily) stepping aside as Head of her AN (National Front) Party to concentrate on her presidential bid. This was more than a 'Hail Mary' pass; for all along she has been trying to put some daylight between herself & her racism-tinged party by insisting her policy platform was hers, not her party's; rather it is a deliberate attempt to counter-act Macron's claim he will be a "President of **all** French people"; for she explained her decision by declaring "Either we continue on the path of total de-regulation, off shoring, mass immigration, free movement of terrorists and the reign of big money. Or you choose the France of borders that protect your identity<sup>9</sup>". So this is a move to tap into the deep motherlode of the French people's traditional & deeply-engrained sense of national pride & identity. While in the first round **both** Macron & LePen benefitted from the deep-seated popular disenchantment with the 'political class', in the run-off this may actually work against Macron (especially now that everyone, from the leaders of France's mainline parties & Jewish & Muslim groups troubled by LePen's nationalist vision to the Brussels Eurocracy & Chancellor Merkel are falling all over themselves to wish him well); for as a former Rothschild banker & Economy Minister Macron can-, and will-, be painted by LePen as an 'insider in drag' & hence a part of the problem, not the solution. Although she no doubt would love to come out on top in the run-off, she cannot lose; for gaining enough new support to deprive Macron from the 60+% popular support the polls have been predicting<sup>10</sup> (& that many believe he needs to get to be a credible, effective President since anything less than that would polarize the French political scene & neuter a President without followers of his own in Parliament); for getting a 45+% -55-% voter split (as has been the outcome of three of the last four centre left-centre right run-offs<sup>11</sup>) would not only put a stick in

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<sup>8</sup> In 2012 in the first round 10 names were on the ballot with the Socialist Party's François getting 28.63%, the UNP (Conservative) Nicholas Sarkozy 27.18%, Marine LePen 17.90% and Jean-Luc Mélenchon 11.10%., and in the second round Hollande 51.64% vs. Sarkozy's 48.36% of a marginally lower turnout.

<sup>9</sup> This is a 'strawman' argument. France has far fewer foreign-born residents than it has French-born descendents of earlier immigrants, Hollande at one point offered to take in 31,000 Syrian refugees but found few willing takers, since they far prefer to go to Germany, Sweden or the UK; for as one Syrian who made it to Sweden puts it, "France is a nice country to visit but not to work in."

<sup>10</sup> Especially since anything close to 50% would be a gigantic improvement over the 17.8% support her father had gotten in the 2002 run-off against the *still living* Jacques Chirac.

<sup>11</sup> With the following outturns : 1995 Jacques Chirac (C) 52.6% & Lionel Jospin (S) 48.4%, 2007 Nicolas Sarkozy (C) 53.1% & Ségolène Royal (S) 46.9% & 2012 François Hollande (S) 51.6% - Nicolas Sarkozy 48.4%.

*the wheels of the Macron wagon but also be a massive improvement over the 17.8% support her father garnered in his 2002 run-off against Jacques Chirac. And while Macron has marketing himself as centre-left, she has been jettisoning her far-right antecedent, his platform is full of 'brain candy', & hers of "eye candy" -, planks<sup>12</sup>, & in politics the latter typically have more undecided voter appeal.*

**Trump doing a long overdue job that until a year ago no Canadian politician ever had the balls to even suggest tackling?**<sup>13</sup> - Canada's dairy supply management system was brought in by Trudeau père in 1971 after two decades in which the number of dairy farms in Canada shrank from 451,000 to 55,400 (i.e. by 87%) & the incomes of dairy farmers, a disproportionate share of whom then lived, & still live, in Québec, had often been affected by over-production-driven low prices. Well-intentioned as it may have been, over time it became a boondoggle of truly heroic proportions that, although the industry maintains "We know that supply management has served our country well", has cost Canadian consumers billions upon billions of dollars without doing much, if anything, for the industry : the number of dairy farms in Canada is now down to 11,280 (i.e. by another 80%). And while Canada's has grown by 55%, milk production did so by only 20% [so, while since 1971 Canada's population grew at a 1.10% CAR (compound annual rate), milk production did so by less than half that rate (0.45%)]. The prime reason is that the system sought to protect farmers against over-production through a 'quota system' that allocates the right to produce the milk needed to meet domestic consumption to individual dairy farmers & their net incomes by setting milk prices at levels based on average costs of production. Unfortunately, with the demand for quota chronically outstripping demand (in recent years by as much as 20x) the result was a structurally imbalanced market & perpetually rising prices for quota (to the point that today a start-up dairy operation must invest far more in quota than in land, buildings & machinery, or cows - thus in Alberta the investment in quota needed to support a 108-cow dairy operation is in \$4MM range, i.e. 10x, or more, than that of the cows needed to produce of milk authorized by the quota). And this system created a vicious circle : as the price of quota went up, dairy farmers' cost of production went up, this justified higher milk prices that then made quota more valuable, thereby raising the cost of production which, in turn justified higher milk prices etc., etc., etc. - *The problem today is that but for the cost of quota Canada's dairy industry might be quite competitive at home & abroad, even at much lower price levels, but that the 11,000+ milk producers that currently 'own' quotas (the vast majority is over*

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<sup>12</sup> Thus: **Economy** : cutting corporate taxes (Macron) vs. lowering interest rates on loans to SME (LePen) and making budget cuts to meet EU's 3% budget deficit maximum vs. introducing "intelligent protectionism";, **Labour** : allowing flexibility in 35 hour week vs. keeping it intact, and keeping the 62 year retirement age vs. lowering it to 60; **Europe** : Reforming the EU vs. having a Frexit referendum and promoting free trade deals vs. blocking companies from hiring foreign workers; **Immigration** : Hiring 5,000 more border guards vs. suspending all immigration & in due course limiting it to 10,000 per year; **Education** : Reducing class sizes for some (i.e. new arrivals' children?) vs. getting back to basics (French, History & Math), **Political Reform** : Cutting 120,000 civil service jobs vs. reducing the bureaucratic layers in the civil service from six to three and MPs cannot work as consultants vs. reducing the number of them from 577 to 300 & that of Senators from 348 to 200; **Energy & Environment** : Ensure that at least half the food in school-, & workplace-, canteens is organic vs. support nuclear power (in France 77.5% of it already is)

<sup>13</sup> This is an issue that I have long followed with more than average interest. For I have had a life-long love affair with black & white (Holstein) cattle & from 1972-1977 had a dairy farm that required milking 35 of them twice a day. When we bought it in the year following the introduction of the quota system I bought quota at about \$50/cow. But seven years later when a cattle buyer came in & offered me \$1,300/cow, I went out of the dairy farming business in minutes (today the cost of that quota would range from \$30,000 - \$40,000, depending on the Province the farm is located.



*the age of 45 & hence starting to think about 'cashing in to fund their retirement) have far more 'invested' in their quotas than they would like-, or could afford-, to see go up in smoke.*